

## Message Text

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ACTION ARA-10

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FM AMEMBASSY LIMA

TO SECSTATE WASHDC IMMEDIATE 2037

INFO AMEMBASSY SANTIAGO PRIORITY

S E C R E T LIMA 8001

LIMDIS

E.O. 11652: GDS

TAGS: MASS, US, PE, CH

SUBJECT: REPORTED ARMS DELIVERIES TO CHILE

1. ON FRIDAY EVENING, SEPTEMBER 20, ADMIRAL GROJEAN OF OFFICE OF DEPUTY CHIEF NAVAL OPERATIONS (THEN VISITING LIMA ON THREE-COUNTRY TOUR OF HEMISPHERE) AND I HAD AN HOUR'S PRIVATE CONVERSATION WITH NAVY MINISTER ARCE. GROJEAN KNOWS ARCE WELL FROM LATTER'S RECENT NAVAL ATTACHE DAYS IN WASHINGTON. MUCH GROUND WAS COVERED IN THIS CONVERSATION BUT ARCE'S MOST IMPORTANT CONCERN (AND HE HAD JUST RETURNED FROM A LONG FRIDAY AFTERNOON LUNCH MEETING WITH PRESIDENT VELASCO AND HIS INTIMATES) WAS A REPORT THE PERUVIANS HAD JUST RECEIVED OF THE PRESENCE OF THREE F-4 PHANTOM JETS IN SANTIAGO, CHILE - SAID TO BE THE FIRST OF A SHIPMENT OF FIFTY - WHICH HAD REACHED CHILE VIA RIO DE JANEIRO AND ASUNCION.

2. ARCE, AN INVETERATE HAND-WRINGER OVER "THE CHILEAN THREAT", WAS VERY DISTURBED BY THIS REPORT AND SAID, IF TRUE, HE DID NOT KNOW WHAT THE IMPACT WOULD BE ON PERUVIAN-U.S. RELATIONS. HE ADDED THAT THE RELEASE OF THIS HIGHLY SOPHIST-  
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ICATED AIRCRAFT TO CHILE WOULD BE TANTAMOUNT TO BRINGING VIETNAM

TO SOUTH AMERICA AND COULD PUSH PERU INTO THE ARMS OF THE SOVIETS, WHICH HE ASSURED US WITH GREAT EMPHASIS IS NOT NOW THE CASE AND IS NOT THE GOP'S DESIRE OR INTENTION.

3. BOTH GROJEAN AND I SAID WE WERE ABSOLUTELY UNAWARE OF ANY RELEASE OF F-4'S TO CHILE OR TO LATIN AMERICA GENERALLY. IN FACT, WE ADDED, U.S. POLICY SPECIFICALLY PROHIBITS THE SALE OF F-4'S TO THIS PART OF THE WORLD. MOREOVER, THE SALE OF F-4'S TO CHILE WOULD BE CONTRARY TO THE "EVEN-HANDED" POLICY WE ARE FOLLOWING WITH REGARD TO PERU AND CHILE WHICH IS DESIGNED TO BE HELPFUL AND NOT TO CONTRIBUTE TO AN ARMS RACE OR AN INCREASE IN TENSIONS WHICH NONE OF US WANTS. WE TOLD ARCE WE WOULD CHECK OUT HIS REPORT.

4. GROJEAN DETAILED TO ARCE OUR CONCERN OVER A POSSIBLE ARMS RACE AND REPORTS OF PERUVIAN PLANS EVENTUALLY TO RETAKE ARICA, PLACING SPECIAL EMPHASIS ON OUR CONCERN RE THE SOVIET INTRUSION INTO THIS PART OF THE HEMISPHERE THROUGH ARMS SALES TO PERU AND THE CONCOMITANT PRESENCE OF SOVIET MILITARY ADVISORS. AT THAT POINT ARCE REPEATED THE PERUVIAN POSITION THAT THE U.S. FORCED THEM TO LOOK ELSEWHERE FOR THEIR ARMS NEEDS WHEN WE REFUSED TO SELL THEM ANY MILITARY EQUIPMENT - EVEN HARMLESS REPLACEMENT PARTS. THEY ACCORDINGLY GOT THEIR AIRCRAFT (MIRAGES) FROM FRANCE, TANKS FROM THE USSR AND OTHER EQUIPMENT ELSEWHERE, BUT THAT DOES NOT MEAN THEY HAVE SOLD OUT TO THESE COUNTRIES. HE SAID THEY CURRENTLY HAVE AN INSIGNIFICANT NUMBER OF SOVIET MILITARY ADVISORS, "LESS THAN THE U.S. MILITARY GROUP PRESENCE HERE." WHEN I POINTED OUT THAT WE HAVE ONLY THREE OFFICERS AND FOUR ENLISTED MEN, FOR A TOTAL OF SEVEN, ARCE SAID PERU HAS NO MORE THAN FOUR SOVIET MILITARY ADVISORS AND NO REPEAT NO CUBAN MILITARY ADVISORS. ON THE LATTER COUNT HE SAID WITH A NOTE OF DISDAIN THAT PERU HAS NOTHING TO LEARN FROM THE CUBANS. ARCE SAID THAT PERU DOES HAVE A NUMBER OF YUGOSLAV ADVISORS BUT IN AREA OF TECHNICAL ASSISTANCE. HE SAID PERU LOOKS FOR NEEDED TECHNICAL ASSISTANCE WHERE IT IS AVAILABLE AT THE LOWEST COST.

5. AT THIS POINT ARCE REPEATED WITH INSISTENCE THAT NEITHER HE, NOR PRESIDENT VELASCO, NOR THE PERUVIAN MILITARY, NOR THE GOP ARE COMMUNIST - THEY ARE PERUVIAN NATIONALISTS TRYING TO BUILD THEIR COUNTRY AND TO CARRY OUT REVOLUTIONARY REFORMS NOT ALWAYS

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VIEWED WITH FAVOR BY NEIGHBORING COUNTRIES. HE SAID SOME OF THOSE COUNTRIES ARE ORCHESTRATING A CAMPAIGN AGAINST PERU AND SOME (ESPECIALLY CHILE) POSE A MILITARY THREAT TO PERU. ADMIRAL GROJEAN STATED OUR BELIEF, BASED ON ALL THE INFORMATION WE HAVE, THAT CHILE IS IN NO POSITION TO NOR HAS ANY DESIRE TO ATTACK PERU. IN MILITARY EQUIPMENT PERU ENJOYS A CLEAR SUPERIORITY AND OUR CONCERN IS MORE OVER SUGGESTIONS WE HEAR THAT PERU IS ARMING TO RETAKE ARICA.

6. ARCE THEN ASSURED GROJEAN FLATLY THAT IT IS NOT PERU'S INTENTION TO ATTACK CHILE BUT ONLY TO MODERNIZE ITS ARMED FORCES FOR LEGITIMATE DEFENSE NEEDS AND TO KEEP THE TROOPS BUSY AND PROFESSIONALLY COMPETENT. HE EXPRESSED HIS CONCERN ABOUT ARMS ACQUISITION GENERALLY IN NEIGHBORING COUNTRIES AND AGAIN SAID HE FELT THAT BRAZIL AND CHILE WERE BEING FAVORED OVER PERU BY THE USG, ESPECIALLY THE PENTAGON. WE SAID THIS WAS NOT THE CASE AND POINTED TO THE RECENT RECORD. GROJEAN SAID THAT PERU'S REQUEST FOR TWO DESTROYERS WAS UNDER ACTIVE CONSIDERATION (AND THERE WAS A QUESTION OF AVAILABILITY AT THIS TIME) BUT THAT HE, LIKE ADMIRAL GEARHEARD, STRONGLY SUPPORTED PERU'S REQUEST. GROJEAN ALSO TOLD ARCE THAT THE WHOLE QUESTION OF ARMS SUPPLIES TO THE HEMISPHERE WAS CURRENTLY UNDER INTER-AGENCY REVIEW IN WASHINGTON.

7. COMMENT: WE KNOW THAT CHILE IS BUYING THE F-5'S AND SO DO THE PERUVIANS. THIS DOES NOT OVERLY DISTURB THE PERUVIANS WHO HAVE THEIR MIRAGES AND ARE ALSO LOOKING AT F-5'S. HOWEVER, THE VERY THOUGHT OF F-4'S TO CHILE MAKES THE PERUVIANS SEE RED. I HAVE HAD ONE REPORT FROM A RELIABLE SOURCE THAT CHILE IS GETTING SOME ADDITIONAL HAWKER HUNTERS FROM AN ARAB COUNTRY. PERHAPS SOME OF THESE HAVE ALREADY ARRIVED IN SANTIAGO AND HAVE BEEN MISTAKENLY IDENTIFIED AS F-4'S. BASED ON INFO FROM OUR MAAG AND A TELECON WITH WASHINGTON WE ARE DEBUNKING THE F-4 REPORT BUT I WOULD APPRECIATE A SPECIFIC CABLE REPLY TO THIS EFFECT.  
DEAN

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